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## **FREQUENTLY ASKED QUESTIONS ABOUT SELLING ITEMS AT SWAP MEETS AND FLEA MARKETS**

The information contained herein responds to numerous inquiries about the need to obtain a seller's permit from the State Board of Equalization and to report and remit sales tax when selling items at flea markets and swap meets. The following most frequently asked questions and answers respond to these inquiries.

### **What is a swap meet or a flea market?**

A swap meet or a flea market is an event where:

- Two or more people or businesses offer merchandise for sale or exchange, and
- Prospective sellers are charged a fee for rental space or prospective buyers are charged an admission fee.

### **When is a seller at a flea market or swap meet required to hold a seller's permit?**

Those who sell new or used merchandise in California, including handicrafts, are generally required to hold a seller's permit. A seller's permit is a state license issued by the Board of Equalization that allows a person to make sales in California.

### **I go to the flea market once a month to sell items my family has made or to sell used items given to me by friends and relatives. Do I need a seller's permit?**

Yes. Your selling activity requires a seller's permit. Sellers are required to possess a seller's permit based upon the number, scope, and character of their selling activity. To sell handicrafts or used items once a month at a flea market, you are required to have a

seller's permit. Permit holders are required to report and pay sales and use taxes and to keep adequate records that are necessary to determine the correct tax liability under the Sales and Use Tax Law.

**What tax rate applies to my taxable sales?**

The sales tax is calculated as a percentage of the sales price. The tax rate can vary from city to city and from county to county. The statewide base rate is 7.25 percent. The rate is higher in locations where voters have approved additional district taxes. Sales and use tax rates are available from the Board of Equalization so that you will know exactly how much state and district sales tax is owed on each taxable sale.

**If I forget to collect the sales tax from the purchaser, must I still pay sales tax on the sale to the Board of Equalization?**

Yes. As the seller, it is your responsibility to pay the sales tax in the correct amount to the Board of Equalization. You will be required to file monthly, quarterly, or annual reports and to pay the Board of Equalization the applicable percentage of your gross receipts for taxable sales for that reporting period. You must remember the responsibility for the payment of the sales tax is on the seller. You may collect the sales tax from your customer for the amount of tax you owe on a sale, but it is your responsibility as the seller to report and pay the tax to the Board of Equalization.

**What can happen if I do not collect and pay sales tax on the gross receipts from my taxable sales to the Board of Equalization?**

If you make sales for which sales tax was due and you fail to report and pay those taxes, you can be required to pay all the tax that was due, plus interest from the time the taxes were due, plus be assessed an additional penalty.

**Where can I obtain further information concerning an application for a seller's permit and the obligation to report and pay tax to the Board of Equalization?**

You may obtain an application for a seller's permit from our Internet site or from our Information Center. You will need to take the time to learn how to properly apply the Sales and Use Tax Law to your business operations. The Board of Equalization has free classes and publications that can help you meet your obligations and help ensure that you do not pay more tax than you owe.

**Available Publications and Information**

BOE Publication #71, *California City and County Sales and Use Tax Rates*

BOE Publication #73, *Your California Seller's Permit*

BOE Publication #107, *Do You Need a California Seller's Permit?*

BOE Publication #111, *Operators of Swap Meets Flea Markets and Special Events*

BOE-400-SPA (4-04), *California Sellers Permit Application*

You may obtain copies of publications and forms on the Internet at: [www.boe.ca.gov](http://www.boe.ca.gov). You may also obtain this information and receive answers to your questions by calling the Information Center at: 800-400-7115.